VALUE PRICING PROJECT QUARTERLY REPORTS
April - June 2004

CONVERTING HOV LANES TO HOT LANES

CALIFORNIA: HOT Lanes on I-15 in San Diego

San Diego's HOT Lanes were originally approved as part of the FHWA'S Congestion Pricing Pilot Program in ISTEA-1991. The first implementation effort consisted of collecting tolls via monthly permits with a decal in the window (July 1997); subsequently, the FasTrak™ pricing program was implemented in April 1998. Under this program, customers in single-occupant vehicles pay a toll each time they use the Interstate 15 HOV lanes. The unique feature of this program is that tolls vary dynamically with the level of congestion on the HOV lanes. Fees can vary in 25-cent increments as often as every six minutes to help maintain free-flow traffic conditions on the HOV lanes. Motorists are informed of the toll rate changes through variable message signs located in advance of the entry points. The normal toll varies between $0.50 and $4.00. During very congested periods, the toll can be as high as $8.00. Pricing is based on maintaining a LOS "D" for the carpoolers.

On average, 75 percent of the weekday daily traffic on the HOV lanes is from HOVs with two or more occupants, and 25 percent is from paying SOVs (i.e., FasTrak customers). I-15 toll revenue in 2003 totalled $2.5 million. Approximately $1.0 million is passed through to the Metropolitan Transit System (MTS) and pays for operation of the *Inland Breeze* express bus servicing the I-15 corridor. Remaining FasTrak revenues pay for enforcement on the HOV lanes by the California Highway Patrol (CHP); and for maintenance of the electronic toll collection (ETC) system and operation of the Customer Service Center, by TransCore.

SANDAG has conducted extensive outreach to measure public response to the value pricing concept. These efforts have revealed that equity is not considered a major issue or obstacle to implementing pricing on HOT lanes in the San Diego region. The majority of those persons surveyed by SANDAG (71 percent) have indicated pricing on HOV lanes is "fair" for travelers, on both HOV lanes and non-tolled main lanes. Furthermore, 66 percent approve of the current configuration of the I-15 HOT lanes, and 71 percent believe that tolls are an effective way to manage demand.

April – June 2004 Update: Continuation of weekend FasTrak operations was approved by SANDAG's Board of Directors on March 5, 2004, and will continue for an indefinite period in the northbound direction. A contract was awarded on May 10, 2004, to update the tolling algorithm and toll schedules for the Express Lanes in an effort to improve accuracy of the ETC system's assignment of toll rates under a variety of traffic conditions and is scheduled for completion during the Third Quarter, 2004. Caltrans completed its construction of a new slip ramp in May, which provides an alternate exit from the HOV lanes in the northbound direction and is helping to manage traffic bottlenecks in the area. Caltrans also extended a single HOV lane approximately one mile north from the slip ramp. The extended HOV lane is separated from the adjacent mixed-flow lanes by a buffer area consisting of a double yellow stripe.

At the end of June 2004, there were 25,701 transponders issued. During the Second Quarter, 2004, weekday average daily traffic on the Express Lanes was 22,300 total vehicles. This is a 142 percent increase over the 9,200 daily vehicles on the HOV lanes prior to the initiation of the program. Toll revenue earned during Quarter 2 is estimated at $630,000.

For More Information Contact: Derek Toups, San Diego Association of Governments; Phone (619) 699-1907, e-mail dto@sandag.org.

CALIFORNIA: HOT Lanes on I- 880 in Alameda County

Interstate 880 is a major congested freeway in Alameda County. It has one high-occupancy vehicle (HOV) lane plus three contiguous mixed flow lanes in each direction for approximately 17 miles, from just south of Oakland to Fremont. This corridor has the highest volume of truck traffic in the region. It connects the Port of Oakland and Oakland International Airport with high technology companies in Santa Clara and southern Alameda counties and with goods distribution centers to the east. A study was done to determine whether excess capacity does exist, whether there is a market among potential users, and how to address the physical and operational issues associated with such a plan. Study results indicated that, while excess capacity exists, it is not sufficiently high to make local officials comfortable that additional priced vehicles could be accommodated. Also, the demand by light duty commercial vehicles was perceived as modest, and the California Highway Patrol expressed strong reservations about its ability to conduct effective enforcement.

Study completed.

For More Information Contact: Jean Hart, Deputy Director, Alameda County Congestion Management Agency; telephone (510) 836-2560, fax (510) 836-2185, email jhart@accma.ca.gov

COLORADO: HOT Lanes on I-25/US 36 in Denver-Implementation
A regional study of the feasibility of HOT lanes in Denver concluded that the I-25/US 36 corridor was the most feasible location for a pilot demonstration of HOT lanes. The I-25 Bus/HOV lanes, also known as Downtown Express lanes, consist of a two-lane barrier-separated reversible facility in the median of I-25 between downtown Denver and 70th Avenue, a distance of 6.6 miles. The lanes are used by southbound traffic from 5:00 am to 10:00 am, and by northbound traffic from noon to 3:00 am.

The proposed value pricing program would manage and partially alleviate severe congestion during the peak periods, as well as yield greater utilization of the I-25 HOV lanes. The plan would convert the Downtown Express HOV facility into a HOT lane facility, serving additional trips and optimizing the use of the facility. This HOT lane facility would feature dynamic pricing of single-occupant vehicles (SOV). Toll-paying SOVs would be excluded from access to the facility if SOV access were found to depreciate the level of service for HOVs and buses. In 2002, CDOT received $1,721,526 toward its request for $4 million in Federal funds for implementation of the project. The HOT lanes would be the first demonstration in the United States of value pricing directly into and out of a large central business district, with multiple ingress and egress.

January - March 2004 Update: CDOT applied for a Categorical Exclusion for the project in early May and it was approved by the Division in June.

Full implementation of the HOT Lane conversion on I-25 is targeted for spring of 2005. You can find additional project information at www.i25hotlanes.com.

For More Information Contact: Myron Swisher, Colorado Department of Transportation, 2000 S. Holly St., Denver, CO 80222; phone 303-984-5272; e-mail myron.swisher@dot.state.co.us

FLORIDA: HOT Lanes on I-95 in Miami-Dade County
This funding would pay for an investment grade traffic and revenue study, market research, outreach efforts, and development of monitoring and evaluation plans. FDOT already funded a preliminary feasibility study.

A proposed new lane would be added in I-95's median. A moveable zipper barrier would permit multiple lane configurations of between two and three HOT lanes in the peak direction. The additional lanes would use the two existing HOV lanes. The HOT lanes would allow multiple ingress and egress points.

FDOT hopes to carry out this project via a public-private partnership. A private firm or consortium would be selected to design, finance, build, and operate the HOT lanes. FDOT would make use of a non-profit corporation to run the facilities and issue the toll revenue bonds. FDOT would not permit a non-compete clause in the public-private partnership agreement.

The overall project, which includes new ramps and several minor improvements to the mixed flow lanes, would provide a 20 percent increase in peak hour, peak direction capacity without having to widen I-95. The project's estimated benefits, in terms of travel time savings and reduced vehicle operating costs, are $3.77 billion and the cost is about $600 million. This produces a very impressive benefit-cost ratio in excess of 6.0.

April – June 2004 Update: The consulting firm of Wilbur Smith and Associates was selected and issued a notice to proceed. All available traffic count data has been provided to the consultant. The kickoff meeting will be held in late July or early August. The consultant expects to complete the study within 12 – 15 months. Please note that the contact telephone numbers have changed. See below.

For More Information Contact: Kenneth Jeffries, Office of Planning FDOT, District 6, 305.470.6736 (phone) 305.470.6737 (fax) email: ken.jeffries@dot.state.fl.us

TEXAS: HOT Lanes on Two Radial Corridors in Houston (I-10 and US 290)
In January 1998, Houston's "QuickRide" pricing program was implemented on existing HOV lanes of I-10, also known as the Katy Freeway. It was implemented on US 290 in November 2000. The HOV lanes are reversible and restricted to vehicles with three or more persons during the peak hours of the peak periods. The pricing program allows a limited number of two-person carpools to buy into the lanes during the peak hours. Participating two-person carpool vehicles pay a $2.00 per trip toll while vehicles with higher occupancies continue to travel free. Single-occupant vehicles are not allowed to use the HOV lanes. The QuickRide project is completely automated and no cash transactions are handled on the facility. Results from surveys conducted on I-10 indicate that the primary source of QuickRide participants is persons who formerly traveled in single-occupant vehicles on the regular lanes. Toll revenues from several hundred vehicles each day pay for all program operational costs.

January – March 2004 Update: Last quarter the Texas Transportation Institute (TTI) project team mailed out over 13,000 surveys. The overall response rate to the November 2003 survey of travelers in the HOT lane corridors, who were not QuickRide participants, was quite high. Travelers were interested in expressing their views and provided a great deal of useful information. Overall, we obtained 1633 surveys from drivers on the mainlanes, 1069 surveys from drivers on the HOT lanes, 584 surveys from transit users, and 213 surveys from casual carpool passengers. These data were examined for the socio-economic and commute characteristics of the respondents and the written comments were examined for common complaints/praises. The research team is now examining the stated preference portion of the survey to model traveler reaction to potential changes in the QuickRide program. *These potential changes include: dynamic pricing and pricing tiers, staggered pricing, SOV buy in, expanded HOT lane operating hours and or changing the flat rate toll for a specific period of time*

During the past year, the project team also focused on how to implement a feasible and successful SOV allowance plan during the off-peak. Critical in this plan is determining what technology infrastructure and driver communication has to be in place for this HOV/OT lane environment. Under the current program, where no SOVs are allowed, the largest challenge has proven to be the enforcement of the occupancy restrictions. Magnifying this problem, the HOV lanes in this region have multiple vehicle entry and exit points. To address these many challenges, there are many different technologies that need to be in place. Procurement of Addco Brick II DMS sign components was ordered for dynamic signing; scheduled delivery is May. Wavetronix vehicle detectors were ordered and are scheduled to be installed in April. The Wavetronix vehicle detectors will be used to obtain vehicle speed, counts and traffic volume of the lane. To assist with the difficult enforcement task, a portable and fixed tag reader was installed and testing is underway. All of the technology installed will be CDMA wireless increasing the quality of data and functionality of the entire pricing system. These technologies, along with other improvements in the current system, will build the infrastructure needed for SOV allowance.

For More Information Contact: David Fink, Transportation Operations Engineer, Texas Department of Transportation; Phone (713) 881-3063, dfink1@houstontranstar.org .

CORDON TOLLS

FLORIDA: Cordon Pricing in Lee County

The Town of Fort Myers Beach in Lee County, Florida, is an island community with a heavy influx of visitors during the tourist seasons. Access to the Town is provided by road at two points of entry. Travel within the Town can be challenging, particularly during the winter tourist season. Due to the relatively small land area and environmental issues, options for additional roadways on the island are not practical. Further, due to limited right-of-way on the only non-local road on the island, and the high financial and social costs of obtaining additional right-of-way, significant widening is not considered practical. The Town is studying the feasibility of introducing a new variable toll at both approaches to the Town.

April – June 2004 Update

Actions this reporting period included: researching, drafting, printing, binding and mailing/delivering final versions of the Traffic Demand Management Options and Finance Reports. Additionally, the consultant continued to compile information for the project files for final transfer to the Town. The final scanning of local media articles for the archive and forwarding to FHWA continued and coordination occurred with FDOT for the final invoicing for the project. Finally, we participated in discussions on the project details and issues with the media, citizens, the newly formed, Town appointed, Traffic Committee and the Town Council.

For More Information Contact: Chris Swenson, P.E., CRSPE, Inc.; Phone 239-573-7960, crs@crspe.com; or Margie Byers, CRSPE, Inc. Phone 239-573-7960, mwb@crspe.com; Marsha Segal-George, Town Manager, Town of Fort Myers Beach; Phone 239-765-0202; marsha@ci.fort-myers-beach.fl.us

FAIR LANES

CALIFORNIA: FAIR Lanes with Dynamic Ridesharing in Alameda County

This FAIR lanes study will focus on the congested Interstates 580 and 680 in Alameda County and will build upon the existing Interstate 680 value pricing study. The "Sunol Grade" portion of Interstate 680 is, by voter-approved ordinance, required to operate new value-priced carpool lanes. New carpool lanes are also planned for I-580. The FAIR lanes feasibility study will examine options in this integrated corridor, including FAIR lane connector ramps at the I-580/I-680 interchange near the Dublin-Pleasanton Bay Area Rapid Transit (BART) station. Complementary measures to increase public acceptability will be implemented in the study corridor. These will include "dynamic ridesharing" and priority parking for ridesharing users at participating BART stations. Dynamic ridesharing enables travelers to respond to pricing in flexible ways that traditional ridesharing and transit options do not. It uses web-based and telephone-based systems to allow users to find carpool partners on a "real-time" basis, close to the time that travel is needed. This new type of ridesharing is expected to be more readily acceptable in the Bay Area than elsewhere, because casual carpooling with strangers is already prevalent there, and this project would add some new security features. In addition to cost and time savings (due to free use of express lanes), dynamic ridesharing would be further facilitated with reserved premium parking spaces at participating BART stations, on-demand backup services, and in-station electronic information screens providing necessary details about individual ride matches.

April – June 2004 Update: The technical advisory committee approved the project alternatives and performance measures. The study will focus on the methodology for crediting low-income corridor travelers. The variable in the study will be determining the amount and type of credit that should be applied. The lane separation treatment is a given for all alternatives and will include a solid striping of HOV/HOT lane with broken stripes and signage indicating ingress/egress locations. The consultant and Caltrans evaluated the number and site of access points. The Existing Conditions Report and State of the Art Review were finalized. The work on the travel demand model enhancement and coding processes were begun.

A Request for Qualifications was issued in the spring and four proposals were submitted. Based on reviews of the written proposals and interviews a team was selected. The scope of work for dynamic ridesharing is being refined. It has been agreed that a pilot program will be initiated at a commuter rail station in Eastern Alameda County. Work is expected to begin in July and will take one year to complete.

For More Information Contact: Jean Hart, Deputy Director, Alameda County CMA; telephone (510) 836-2560 ext. 11, fax (510) 836-2185, email jhart@accma.ca.gov

PRICED NEW LANES

CALIFORNIA: Express Lanes on State Route 91 in Orange County

The 91 Express Lanes opened in December 1995 as a four-lane toll facility in the median of a 10-mile section of one of the most heavily congested highways in the U.S, the Riverside / State 91 freeway. Toll revenues have been adequate to pay for construction and operating costs. The toll lanes are separated from the general purpose lanes by a painted buffer and plastic channelizers. In the toll schedule effective August 1, 2003, tolls on the express lanes vary between $1.00 and $5.50, with the tolls set by time of day to reflect the level of congestion delay avoided in the adjacent free lanes, and to maintain free-flowing traffic conditions on the toll lanes. All vehicles must have a "FasTrak"TM" transponder to travel on the express lanes. Beginning in May 2003, vehicles with three or more occupants travel free except when traveling Eastbound, Monday through Friday between the hours of 4:00 p.m. and 6:00 p.m., when they pay 50 percent of the regular toll. This policy also applies to individuals on a motorcycle. Other toll discount offers are extended to zero-emission vehicles and vehicles with disabled person's license plates.

There were over 143,000 transponders in circulation at the end of Fiscal Year 03. During the six-month period ending June 30th, the facility served almost 5 million vehicles, averaging over 27,000 vehicles per day, with approximately $13 million in gross potential revenue. The Express Lanes carry over 40 percent of the total SR-91 traffic during heavily congested periods, even though they comprise only one-third of the total freeway capacity. This amounts to a 33 percent higher throughout per Express Lane, relative to the general-purpose lanes. The higher throughput occurs because freeway vehicle throughput under free flow conditions is significantly higher than when it is congested.

April - June 2004 Update: It has been a full year since the Orange County Transportation Authority took over operation of this successful VPPP project. During the past year, new policies have been approved to enhance the operation of the facility while lowering the average toll per trip for the customer. This progressive new toll policy adopted in July 2003 continues to build on the road's successful congestion management pricing philosophy. Traffic throughput on the lanes has increased by ten percent, while at the same time the peak period Average Vehicle Occupancy rate has increased.

Short-term plans include projects that will direct $90 million to help relieve major freeway bottlenecks during the next five years, including adding auxiliary lanes and improving transit options for commuters. Mid-term projects over the next decade include spending $260 million to add freeway lanes as well as create intermediate access to the 91 Express Lanes.

In February 2004, the new 1.2 mile auxiliary lane opened on the westbound side of the SR-91 Freeway at the Orange/Riverside county line. The expanded roadway is the first project along the 91 corridor since the Orange County Transportation Agency purchased the Express Lanes. In June 2004, a re-striping project was completed which extended the new auxiliary lane.

For More Information Contact: Ellen Burton, OCTA, General Manager, 91 Express Lanes; (714) 560-6282; eburton@octa.net

CALIFORNIA: HOT Lanes on I-680 in Alameda County
The Alameda County Congestion Management Agency is investigating design concepts and feasibility of new High Occupancy Toll (HOT) lanes on a 14-mile portion of I-680 connecting residential areas in the north and east to the job centers of Silicon Valley in the south. Currently, I-680 is a six-lane facility with three mixed-flow lanes in each direction. Traffic is highly congested southbound in the a.m. peak and northbound in the p.m. peak. Considerable growth in traffic demand is anticipated. A new southbound lane opened as an HOV lane in December 2002, and a new northbound lane is expected to open as an HOV lane in 2005. The study is reviewing various design concepts for HOT lanes. Major design options under consideration include: one HOT lane in each direction, two reversible HOT lanes in the peak direction, and an additional (ninth) lane in the median that would be reversible HOT.

April - June 2004 Update: The feasibility study is complete. It concluded that the proposal to utilize the planned high-occupancy vehicle (HOV) lanes on Interstate 680 as high-occupancy toll (HOT) lanes is financially, operationally, and physically feasible. Environmental advocacy groups, business and labor organizations, and the metropolitan planning organization, Metropolitan Transportation Commission supports the project. California legislative authority is needed to proceed with implementation of the HOT lane strategy. In early June, the California Assembly approved legislation AB 2032 (Authorizes the operation of demonstration programs on specified highways in the state where single occupant motorists would be allowed to access high occupancy vehicle (HOV) lanes by paying a toll. A Senate Transportation hearing is scheduled for later in June.

For More Information Contact: Jean Hart, Deputy Director, Alameda County Congestion Management Agency; telephone (510) 836-2560, fax (510) 836-2185, email jhart@accma.ca.gov

CALIFORNIA: Extension of I-15 HOT Lanes in San Diego

The I-15 HOT lanes (described in the previous section on "Converting HOV Lanes to HOT Lanes") are being extended to create a 20-mile "Managed Lanes" facility in the median of Interstate 15 (I-15) between State Route 163 and State Route 78. When completed, there will be a four-lane facility in the median with a moveable barrier, multiple access points from the regular highway lanes, and direct access ramps for buses from five transit centers. A high frequency bus rapid transit (BRT) system is under development and will operate in the managed lanes. Seven pricing alternatives were considered. A preferred pricing alternative has been approved and calls for dynamic tolling involving a skewed per mile rate, which would vary the toll based on actual congestion levels and distance traveled, derived from the entry and exit points to the lanes.

***April – June 2004 Update**:* Caltrans continued to make progress on the design-build of the Managed Lanes. Construction began in November 2003 and is scheduled for completion by late 2007. This quarter, Caltrans began its detailed design of the Managed Lanes toll collection field infrastructure; and bids were opened for the second phase (unit 2) of construction. SANDAG staff continued to seek FHWA approval to close out the I-15 Managed Lanes Value Pricing Planning grant and use the remaining funds from that study ($306,000) to begin work on the development and integration of the Managed Lanes electronic toll collection (ETC) and violation enforcement systems (VES).

For More Information Contact: Derek Toups, San Diego Association of Governments; Phone (619) 699-1907, e-mail dto@sandag.org.

CALIFORNIA: HOT Lanes in Median of State Route 1 in Santa Cruz County
A five-mile section of State Route 1 is proposed for widening. The facility is currently a four-lane divided freeway. The segment operates under severe congestion during weekday peak hours and extended periods on summer weekends. Within the study corridor limits there are seven interchanges. Five HOT lane alternatives were studied in detail, including: (1) one lane in each direction with barrier separation, no intermediate access; (2) one lane in each direction, with buffer separation, no intermediate access; (3) one lane in each direction with striped separation, 1 or 2 intermediate access points; (4) one lane in each direction with striped separation, continuous access; and (5) one reversible lane with barrier separation, no intermediate access. The results of the study indicated that HOT lanes in the study corridor would be subject to a number of design and operation constraints, due to the short study corridor, multiple interchanges on the adjacent main lanes, and anticipated high levels of HOV traffic. In June 2002, the Regional Transportation Commission voted not to include a HOT lane alternative in further consideration, however it did select a carpool lane alternative with a footprint that would allow conversion to a HOT lane at a future date, should demand warrant it.

Project Complete: Since Phase II will not be undertaken; some funds will be leftover in this study (around $68,000). As such, FHWA and Caltrans will work with SCCRTC to close out the contract. The Final Report is available on the Santa Cruz County Regional Transportation Commission's website (http://www.sccrtc.org/highway.html#hot). There are no additional activities expected on this project.

For More Information Contact: Karena Pushnik, Santa Cruz County Regional Transportation Commission; tel: 831/460-3210; karena.pushnik@co.santa-cruz.ca.us.

COLORADO: Express Lane on C-470 in Denver

A study is underway to evaluate the design, operational and financial feasibility, and expected public acceptance of Express Lanes on the 26-mile C-470 beltway in the southwest part of the Denver metro area. The feasibility study is being conducted in parallel with an Environmental Assessment investigating possible solutions to congestion and reliability problems on the roadway. C-470 is a four-lane beltway between I-70 and I-25 with 18 interchanges. Commuters are typically destined to the Denver Technological Center and adjacent offices, a regional employment hub with over 100,000 employees. The segments that do not currently experience severe congestion are all projected to experience such conditions by 2020. Future projected traffic volumes indicate that a phased implementation of added managed lanes may be viable. The concept being studied is a four-lane barrier separated facility in the median of four general purpose lanes, which would manage volumes in the Express Lanes by charging a variable toll to ensure reliable, free-flowing traffic conditions.

April – June 2004 Update: The team completed the first level of screening, which evaluated possible access locations to the Express Lanes. Eight of the possible eighteen interchange locations have been retained for further consideration in the next level of screening. Access locations were screened based on forecasted volumes.

The second level of screening will consist of a more detailed look at the design, capital and O&M costs, and traffic and revenue projections for the remaining alternatives. Travel demand forecasting is being performed with Minut-p and AIMSUN software to simulate congestion, time savings, and potential toll diversion.

Toll diversion modeling is being predicted based on data obtained from a market demand survey in which 1600 C-470 users reported their willingness to use the toll lanes. The survey sought to establish the Corridor users' value of time by presenting potential time savings alternatives to respondents based on their reported use of the Corridor. The survey found that 82% of the respondents had used one of the other existing toll roads in Denver, and 70% of users reported that they would consider using the Express Lanes to avoid congestion in the free lanes.

Preliminary alternative recommendations and feasibility analysis are scheduled to be complete in September 2004, with recommendations being carried forward to the Environmental Assessment. The final feasibility report will be complete in December, 2004. Go to www.c470.info for updated information.

For More Information Contact: Ron Buck, Colorado Department of Transportation; Phone 303-972-9112, ron.buck@dot.state.co.us.

FLORIDA: Priced Queue Jumps in Lee County
This project follows on a $309,280 grant provided in FY 2000 for a feasibility study of Queue Jumps in Lee County, Florida. The feasibility analysis indicated that while queue jumps did not appear to be a good candidate for traditional toll bond financing, they are nonetheless financially feasible. The analysis has shown favorable public acceptance. Lee County DOT and FDOT are experienced partners in efforts to introduce pricing. The final report and a Monitoring and Evaluation Plan are complete and available.

FY03 funds are for two separate Queue Jump projects: one at Summerlin Road and San Carlos Boulevard and one at Metro Parkway and Colonial Boulevard. Funds would pay for critical project development and design costs, as well as Electronic Toll Collection (ETC) and Visual Enforcement Systems. Costs for monitoring and evaluation efforts and outreach tasks are also included.

A Queue Jump is a facility that can be used to bypass points on the transportation network where congestion is particularly severe and occurs in a predictable pattern. Tolls would vary by time of day and would be levied electronically, and would be tied in with the County's existing ETC system. A significant characteristic of queue jumps is their ability to generate revenue for needed roadway improvements while simultaneously contributing to travel demand management.

Goals of this effort include traffic demand management using variable pricing; evaluation of various types of pricing programs; information on the impact of pricing at "point" locations; reduced emissions from reduced congestion; increased overall effectiveness of the County's existing variable pricing program; and fast-tracking of infrastructure improvements.

These funds would provide for the establishment of the first test of a value priced Queue Jump. Testing this concept and evaluating its effectiveness would provide very useful information for other areas considering priced Queue Jumps.

April – June 2004 Update: The consultant advertisement process for this phase of the project has not occurred yet.

For More Information Contact:

NORTH CAROLINA: HOT Lanes on I-40 in Raleigh/Piedmont
HOT lanes and other potential value pricing options are being explored on I-40 in North Carolina's Piedmont (Greensboro, High Point, and Winston-Salem) and Research Triangle (Raleigh and Durham) areas. I-40 is the principal east-west corridor for the southern half of the U.S. The highway segments in the Research Triangle area are seriously over-capacity. Due to continued employment and residential growth, the segments in the Piedmont Triad are showing signs of similar affects during peak period congestion.

January -March 2004 Update: The survey instrument for commuters is currently under development. The questionnaire is currently being reviewed by FHWA and NCDOT. The survey questionnaire was discussed at length during meetings on 10/3/03, 12/19/03 and 1/9/04. The team expects a response from the supervising agencies by the end of April.

To obtain a mailing list of I-40 roadway users for our questionnaire, a license plate survey at exit ramps on I-40 during the AM-peak hour was conducted. The DMV then sent a list of 1200 addresses corresponding to the license plate submitted.

Two focus groups were held to get feedback on the questionnaire. Suggestions were made to make the survey more user-friendly.

For Additional Information Contact: Rick Lakata, NCDOT; tel: 919/715-2464, e-mail: rjlakata@dot.state.nc.us .

OREGON: HOT Lanes on Highway 217 in Portland

The Highway 217 corridor, which connects I-5 to US 26, is the major north-south transportation route in the Washington County portion of the Portland metropolitan area. It runs through two major regional centers, connects the region's high tech centers, and serves one of the highest growth areas in the region. There is a need for additional capacity in the corridor. Value pricing options are being integrated into the mix of alternatives being evaluated and considered for implementation. A prior study, the Traffic Relief Options study, evaluated value pricing in the Portland metro area from a regional perspective and recommended that value pricing be considered whenever major new highway capacity is added. The current study will develop and evaluate several HOT lane and ramp meter bypass alternatives in this corridor, including consideration of FAIR lanes among other value pricing approaches at ramp meters.

April – June 2004: During the second quarter, staff and consultants have focused on the evaluation of preliminary alternatives. In April, staff worked with the local jurisdictions to review the 2025 population and employment allocation for the corridor area. That review is complete and the resultant allocation is being used as the basis for travel forecasts. Travel Forecasting staff at Metro are utilizing an upgraded four step model which includes sensitivity to pricing as well as other improvements to transit and car pool mode choice modules. It also includes enhancements to better represent volume delay relationships on the arterials, which were incorporated in late April and early May. Travel forecasts for the six alternatives and the base case are now well underway and will be complete in July.

The Team did not hold Policy Advisory Committee (PAC) meetings in April or May while the evaluation was getting underway. The PAC met in June to review preliminary travel forecasting results and discuss the corridor financing strategy. Terry Moore of ECONorthwest presented an inventory of potential funding options and suggested next steps. The PAC discussed the lack of transportation funding in the region, and the various possible choices for funding the Highway 217 Corridor. Based on a preliminary order of magnitude cost estimate of $330 million for an additional through lane and associated interchange improvements (including some braided ramps), significant additional funding sources will need to be identified if the corridor is to be built within the next twenty years. Options discussed include consideration of tolling, phasing and seeking greater priority within future state, regional and local transportation financing packages.

Initial findings indicate that adding a through lane on Highway 217 reduces travel time on that highway, but draws more traffic to the corridor and increases overall travel delay. Staff and consultants have identified bottlenecks on Highway 26 and I-5 that appear to be the source of the additional travel delay. This finding, and possible expansion of the study area to include projects to resolve these bottlenecks, will be discussed further at the July PAC meeting.

The analysis of managed lane and value pricing options will be completed in August. The PAC will review the full evaluation at its September meeting. The Team has scheduled Public Workshops for early October.

For More Information Contact: Ms. Bridget Wieghart, Metro Project Manager Phone 503-797-1775; wieghartb@metro.dst.or.us.

TEXAS: Managed Lanes on the LBJ Freeway in Dallas

The LBJ Freeway (I-635) is the major circumferential roadway in the Dallas region. The total length of the corridor is 21 miles. Traffic on certain portions of the LBJ Freeway is heavily congested for many hours of each day. The major attractors in this portion of the Dallas/Fort Worth region include regional malls, thriving business districts, and adjacent residential communities. Currently, the West Section facility consists of eight general-purpose lanes and one HOV lane in each direction. The facility may be upgraded with up to six HOT lanes (three in each direction). The proposed lane configuration would vary – the West Section would have six HOT lanes, the East Section from US-75 would have four HOT lanes, and the rest of the facility would have two HOT lanes. The LBJ Managed Lanes project design uses variable tolling to provide free-flowing traffic conditions and connections to transit centers to support Bus Rapid Transit. This project is being targeted for implementation as a "Comprehensive Development Agreement" (CDA). In effect, a design-build project, geared toward earlier completion of the Managed lanes in two auto tunnels constructed underneath LBJ Freeway.

April – June 2004: The Phase I "Geotechnical Investigation Program" has been completed with the results now being readied for distribution to interested parties. The phase II geotechnical field work will likely begin later in the summer of 2004. The Procurement Engineering phase for the project began in June of 2004. The North Central Texas Council of Governments has agreed to put forth some funding for part of the IH 635 (LBJ Freeway) from IH 35E to US 75 in the amount of $50,000,000. The funds can be combined with DART's amount of $64,000,000 and two prior Federal Appropriations of $6,400,000 to help implement the LBJ Freeway project. This initial funding amount of $120,400,000 for the project will be supplemented with State matching funds, additional Federal funds, bond revenue supported funds and other sources to complete the financial package. In an effort to accelerate that aspect the NCTCOG has offered to loan/advance TxDOT $100,000,000. This amount will be paid back over time at a yet to be determined schedule.

Additional project information can be found at the project web site: http://www.dot.state.tx.us/DAL/mis/ih635/LBJhome.htm.

For More Information Contact: Matthew MacGregor, P.E. LBJ Project Office; Phone 214/319-6570, mmacgre@dot.state.tx.us

TEXAS: Managed Lanes on the Katy Freeway in Houston
Katy Freeway (IH 10), in the western portion of Houston, is a heavily congested urban interstate facility. The existing freeway is 23 miles long and consists of six general-purpose main lanes (three in each direction), with two-lane continuous one-way frontage roads in each direction for most of its length. Additionally, the freeway has a one-lane reversible high occupancy vehicle (HOV) lane between I-610 and State Highway 6, and one HOV lane in each direction between State Highway 6 and the Grand Parkway (State Highway 99). West Houston is one of the fastest growing areas in the Houston metropolitan region. Population and employment along the corridor is projected to increase by 40 percent in the near future, with population in certain portions of the corridor expected to grow by up to 130 percent. The freeway is proposed to be expanded to eight general-purpose lanes, four in each direction, with continuous three-lane frontage roads in each direction. In addition, in the center of the facility from I-610 west to State Highway 6, four HOT lanes are proposed, two in each direction. From State Highway 6 to the Grand Parkway, two HOT lanes are proposed, one in each direction. A re-evaluation of the FEIS was completed and made available to the public in January 2003. A press conference was held March 14 to formally sign a tri-party agreement.

April - June 2004 Update: Construction continues on three sections of the IH 10 projects:

- IH 610 (West Loop),
- SH 6 to Peek Road
- Peek Road to the Fort Bend County Line

All three sections are shown to be ahead of schedule at this time. The next section to go for bid will be from just east of Kirkwood to east of Beltway 8 this includes the BW 8 direct connectors. The bids will be open on July 8, 2004. The next section of the freeway to be let is scheduled for December 2004.

For More Information Contact: David Fink, Texas Department of Transportation; Phone (713) 881-3063, dfink1@houstontranstar.org.

TEXAS: Pricing on I-35 in San Antonio
The San Antonio district of the Texas Department of Transportation (TxDOT) is evaluating managed lane options for a 15-mile section of the Northeast Corridor (I-35). Public involvement has been a key in developing the I-35 project to date. Pre-project studies have provided some guidance in developing managed lanes, including incorporation of value pricing. Although TxDOT is an existing partner with value pricing projects in Dallas and Houston, this is San Antonio's first VPPP grant.

The purpose of the project is to evaluate potential operating strategies, including value pricing, which could be used as tools to manage travel demand on I-35. Alternative pricing scenarios can be utilized to allow certain user groups into the managed lanes at different stages over the facility's life. The I-35 Managed Lanes study is expected to show congestion-reducing benefits on a 15-mile stretch of the Northeast Corridor.

Implementation of managed lanes is highly likely, as it is already part of the planned freeway expansion project. Plans for additional public input (via public meetings and individual stakeholder meetings) are planned.

January – March 2004 Update: The cooperative agreement was signed in September. The Draft Proposal previously submitted is now the final work plan. The San Antonio District will proceed with the study through a consulting firm. The study will assist in the development of the final project for I 35, Northeast Corridor. Nothing new to report at this time.

For More Information Contact: Judy Friesenhan, Planning Engineer, Texas Department of Transportation; 210/615-5814; e-mail: jfriese@dot.state.tx.us.

PRICING ON TOLL FACILITIES

CALIFORNIA: Peak Pricing on the San Joaquin Hills Toll Road in Orange County

The San Joaquin Hills Toll Road (State Route 73) is 15 miles long and extends from Interstate 5 near San Juan Capistrano to Interstate 405 in Newport Beach. It provides an alternative to heavily congested portions of I-5 and I-405, two north-south freeways in the southern portion of the Los Angeles metropolitan area. It carries in excess of 2.3 million vehicles monthly (2.7 million annual average) on a six-lane facility. Currently the Toll Road is near capacity during peak periods.

April - June 2004 Update: In October 2003, a peak period premium of 1 dollar (50 cents for those paying electronically) was implemented at the Catalina View mainline toll plaza. This premium is in addition to the normal toll of $2.50. This average 2.8% toll increase caused a 1.9% average traffic diversion, from cash payment to the electronic payment method. The San Joaquin Hills Transportation Corridor Agency will implement toll changes at several plazas beginning July 1, 2004. A 25-cent cash premium will be charged at ramp plazas in order to recoup higher cash-collection costs. This is in addition to scheduled $0.25 increases at La Paz Road and Newport Coast Drive. Cash premium at the mainline toll plaza will increase from $0.50 to $0.75. The peak period premium remains at $0.50, however the base toll at the Catalina View mainline toll plaza will be raised to $2.75.

"About 65 percent of all tolls are paid with FasTrak," said Michael Leahy, TCA Chief Toll Operations Officer. "On the 73 during rush hour, we have some of the highest penetrations of electronic tolling in the nation with upwards of 90 percent of traffic using FasTrak."

The pricing difference also reflects the higher cost to collect cash tolls than FasTrak electronic tolls, which cost up to 16 cents less to process. Currently, more than a half-million TCA FasTrak transponders are in circulation for approximately 280,000 accounts. Customers will be notified of the new toll rates through toll-plaza signs and FasTrak statements in July.

For More Information Contact: David Lowe, San Joaquin Hills Transportation Corridor Agency; phone: 949-754-3488,lowe@sjhtca.com

FLORIDA: Bridge Pricing in Lee County

In August 1998, Lee County implemented a value pricing strategy on two toll bridges between the cities of Ft. Myers and Cape Coral. The project created a peak/off-peak pricing structure offering bridge users a discount toll during times before and after the peak traffic periods. Under the pricing plan, a 50 percent toll discount is provided for trips made during the half-hour period before the morning peak of 7:00-9:00 a.m. and in the 2-hour period following the morning peak. In the evening, the discount period is during the two hours before the evening peak of 4:00-6:30 p.m. and during the half hour after the peak. The program has been successful in inducing significant shifts in traffic out of the peak congestion period. Surveys indicate that over 71 percent of eligible motorists (i.e., those with vehicle transponders) shifted their time of travel at least once a week to obtain a toll discount amounting to just 25 cents (Burris *et al* 2002).

April – June 2004 Update: This successful Value Pricing Pilot Program (VPPP) project is still operating. There is nothing new to report.

For More Information Contact: Kris Cella, Cella & Associates, Inc.; Phone 239-337-1071; e-mail kcella@cella.cc or Chris Swenson, P.E., CRSPE, Inc.; Phone 239-573-7960; e-mail crs@crspe.com.com; Scott Gilbertson, Director, Lee County Department of Transportation; Phone 239 479-8580; gilbersm@leegov.com

FLORIDA: Variable Tolls along the Sawgrass Expressway in Broward County
In May 2003, Florida began a pilot project to combine Open Road Tolling and Value Pricing entitled *Sawgrass Expressway: A Study of New Technologies*. Open Road Tolling (ORT) utilizes electronic toll collection to create a tolled highway system free from toll plazas and delays. This technology has the potential to change the toll industry by improving customer service, lowering operating and maintenance costs, and providing potential savings in capital costs. Under ORT, toll roads would be open to everyone and completely transparent to customers. There would be no toll plazas, tollbooths, or lane restrictions. All traffic would operate at highway speeds, yet every vehicle would pay a toll. Toll collection would occur through equipment located on overhead gantries. Eliminating the toll plazas themselves and the merging and weaving that occur while entering and exiting the plazas enhances roadway capacity and safety. Customers with a transponder would already have a pre-paid account with the toll agency. The toll charge would be automatically debited from their accounts. Value Pricing could be utilized during heavily congested peak periods along the corridor.

April –June 2004 Update: There are potential social impacts of converting a cash tolling facility to all electronic. To address local businesses who use the facility, the Turnpike conducted a rental-car survey of license plates. The Sawgrass ORT Team believes there are three types of rental customers: rentals that pay with cash, rentals with a transponder (none at this time) and rentals that violate (very small).

To capture rental cars during peak rental car usage days, it was determined that Thursday, Friday and Saturday will be the best days for data collection. Thursday will provide a typical weekday rental car percentage and Saturday will provide a weekend usage with Friday providing the transition between a weekday and a weekend mix. Survey collection times consisted of three collection periods, i.e., three times per day as follows: Thursday and Friday: 7:00-9:00 a.m., 11:00-1:00 p.m., and 4:00-7:00 p.m., and Saturday: 7:00-9:00 a.m., 10:00-2:00 p.m., and 4:00-6:00 p.m. The survey collection dates are from Thursday May 20 through Saturday May 22.

Staff was placed in the Sunrise Plaza Manual Booth (MB) toll lanes, and at Sunrise Boulevard southbound on-ramp and northbound off-ramp in a location where they can read the license plate numbers into a voice recorder. On the Sunrise Mainline Toll Plaza, two MB lanes per direction provided a sufficient sample size of vehicles. All vehicles including motorcycles and trucks that arrive during the data collection times were sampled by identifying the license plates as “taxi”, “truck” or “motorcycle”. For the rest of the vehicles only license plate numbers will be recorded. For all sampled vehicles, all six digits (letters and/or numbers) of the license plate were recorded.

The license plate database will be sent to the Department of Highway Safety and Motor Vehicles (DHSMV) to be queried against a database of currently registered cars from rental car agencies in the State of Florida. Once the matched license plate numbers are received, the information will be tabulated to determine the percentage of rental vehicles that use the Sawgrass Expressway on a weekday and weekend basis.

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FLORIDA: Variable Tolls for Heavy Vehicles In Lee County
The on-going Variable Pricing Program in Lee County (see Bridge Pricing in Lee County) was restricted to light duty vehicles. This project expands the existing program to allow three plus axle vehicles to participate in the program and encourages them to travel during off-peak times. The program became operational in December 2003.

April – June 2004 Update: The Team continued to compile data for the pre implementation and post implementation comparison. Data collection efforts continued with queue length studies and detailed traffic data from the traffic lanes. Equipment and software upgrades to allow interoperability with the State of Florida's Sun Pass System began.

For More Information Contact: Kris Cella, Cella & Associates, Inc.; Phone 239-337-1071; e-mail kcella@cella.cc or Chris Swenson, P.E., CRSPE, Inc.; Phone 239-573-7960; e-mail crs@crspe.com; Scott Gilbertson, Director, Lee County Department of Transportation; Phone 239 479-8580; gilbersm@leegov.com

FLORIDA: Pricing Options on the Florida Turnpike in Miami-Dade County
The Florida Turnpike Enterprise recently completed a study of the feasibility of implementing value pricing on a 21-mile section of the Homestead Extension of Florida's Turnpike (HEFT) in Southwest Miami-Dade County. The facility can be divided into two unique and distinct segments. The southern segment extends from SR 874 to SR 836. It is approximately eight miles long and includes four interchanges. The northern segment extends from SR 836 to I-75. It is approximately 13 miles long and includes six interchanges. For the southern segment, the study recommended widening the HEFT from six to eight lanes in the short-term. The long-term recommendation (by 2010) was to add two reversible, elevated, value-priced Express Lanes. The recommendation for the northern segment was to widen from four to six lanes in the short-term. The long-term recommendation was to add an additional four value-priced express lanes at ground level by 2015.

Final: FHWA is closing out this study and will ensure that all deliverables are received. A new study with the Florida Turnpike is beginning under this original cooperative agreement, so the cooperative agreement will not close out. A final report and executive summary is available on FHWA's Community of Practice website at http://knowledge.fhwa.dot.gov/cops/hcx.nsf/home?openform&Group=Value%20Pricing&tab=REFERENCEBYALPHA , click on the project name.

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ILLINOIS: Illinois Tollway Value Pricing Pilot Study
A value pricing pilot project is being conducted on the Illinois State Toll Highway Authority (ISTHA) system. The ISTHA operates 274 miles of interstate tollways in twelve counties in northern Illinois including the Chicago suburban area. The eastern portion of the I-88 Ronald Reagan Memorial Tollway (formerly the East-West Tollway) from Illinois 31 to the Tri-State Tollway (I-294) a distance of 23 miles is the section chosen for the pilot project study. Phase 1 involves the basic feasibility study and evaluation of possible value pricing options. This includes identification of alternative pricing strategies, extensive market research and outreach, traffic and socioeconomic impact analysis, development of preliminary plans and cost estimates, and a review of toll technology considerations. Based on the results of this work a decision would be made whether to proceed to a second phase. If so Phase 2 would involve the actual implementation of the pilot program. A possible Phase 3 would be implementation system-wide of the selected program.

April - June 2004 Update: The Illinois State Toll Highway Authority is in the process of developing a comprehensive ten year capital plan. The project team decided that the success of a value pricing pilot project demonstration would depend on its ability to be consistent and complementary to the capital plan. As such, the study schedule has been extended so that the final recommendations concerning a pilot demonstration will benefit from knowledge of the overall direction provided by the capital plan development effort. The scheduled completion date of Phase 1 is now October 2004.

Work in prior quarters completed the data gathering including origin-destination and stated preference surveys. Also the analysis methodology was developed. During this last quarter analysis work on two scenarios involving price differentials for cash and electronic payment were completed and reviewed by the team. A third option with time of day pricing was formulated and analysis begun.

During the next quarter the analysis of the initial set of scenarios will be completed and the results reviewed in a stakeholder outreach process. Input from that process will help define scenarios for further evaluation and a possible recommendation for a pilot demonstration.

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NEW JERSEY: Variable Tolls on the New Jersey Turnpike
The New Jersey Turnpike Authority operates a 148-mile facility with 28 interchanges. It is one of the most heavily traveled roadways in the country with average daily trips exceeding 500,000 vehicles. The Turnpike's variable pricing program began in the fall of 2000. The program provides for tolls that are about seven percent higher during peak traffic hours than during off-peak periods for users of the electronic toll collection system. The price differential is scheduled to increase in a phased manner over several years.

The introduction of variable tolls has improved traffic flow and provided associated air pollution and energy consumption benefits. Preliminary data show that value pricing is working to shift traffic out of the peak period. Most of the recent growth in traffic on the Turnpike has been in the off-peak hours, with total traffic up by around seven percent, but morning peak traffic up by only six percent and afternoon peak traffic up by only four percent. The proportion of daily Turnpike traffic accounted for by the morning peak dropped from 14 percent to 13.8 percent, and the afternoon peak's share of traffic decreased from 14.7 percent to 14.3 percent.

April – June 2004 Update: This quarter, the Team finalized the surveys and started the development of the survey program with Eagleton Institute at Rutgers. Based on the schedule, the survey process will end by June 2004. The development of a traffic network model that includes NJ Turnpike and major alternate routes is finished. The Team started coding of the network in a microscopic traffic simulator Paramics. The traffic model does not have a tool to represent toll plazas, so the Team is currently developing a toll plaza model in Paramics. The Paramics model is being calibrated using six months traffic data obtained from the NJ Turnpike. The data is detailed enough to develop a database of Origin–Destination demand matrix and travel times that can be used to calibrate the microscopic simulation. Upon completion of the Paramics model, the demand function that is being developed will be used to study the impacts of "value pricing" on the facility. This microscopic simulation will enable the Team to study the user behavior not only in terms of tolls but also in terms of facility specific travel times and get simulation based evaluation data for emissions and other externalities that are difficult to measure in the real world.

The Team continued to meet with Steering Committee members on a regular basis, especially for the development and completion of surveys. The Team updated the preliminary working paper that is based on the analysis of traffic data obtained from the NJ Turnpike. Following a meeting at the Turnpike, Allan Lichtensten of the Voorhees Transportation Center at Rutgers conducted a number of telephone conference calls with various persons including Ed Gross, Gail Toth, Jim Weinstein, Pam Fischer (AAA), and Jeff Zupan. Allen is now in the process of finalizing a summary report of these interviews.

For More Information Contact: Kaan Ozbay, Ph.D., University Principal Investigator, Rutgers University; phone 732/445-2792; fax 732/445-0577; email kaan@rci.rutgers.edu.

NEW JERSEY: Variable Tolls on Port Authority Interstate Vehicle Crossings
The Port Authority of New York and New Jersey (PANYNJ) adopted a variable toll strategy for users of the electronic toll collection system (E-ZPass) in March 2001. The Port Authority provides a 20 percent ($1.00) discount for off-peak tolls on its bridges and tunnels crossing the Hudson River between New York and New Jersey. Peak toll rates are effective on weekdays form 6-9 a.m. and 4-7 p.m., as well as on weekends from 12 Noon to 8 p.m. An estimated 125.2 million vehicles used the tunnels and bridges in 2002, and approximately 62 million interstate bus passengers use the interstate crossings annually.

As the interstate transportation system operations and demand have stabilized following the events of September 11, 2001, preliminary analyses of the data indicate positive results in sustaining some shift in travel demand to the hour prior to the peak toll rates on weekdays. The hourly percentage distribution of 5-10 a.m. weekday showed as much as a 2.6 percent (2400 vehicle) increase in the 5-6 a.m. share of morning traffic demand, just before the peak toll rates go into effect. There is less evidence that the off-peak discount has been effective in shifting demand to the hour following the 6-9 a.m. peak toll period. As the sluggish New York City economy has dampened travel demand in 2003 in all times periods, there has been some evidence of a shift back to the now less-congested peak hours by early hour off-peak motorists. This suggests that the $1.00 discount has had some meaningful and sustainable ability to shift travel demand, but the effectiveness of the discount to shift demand to off-peak hours is highly correlated to continued levels of peak-period congestion. While similar results are evident during the weekday evenings, the effect is not as strong, suggesting somewhat less willingness to travel off-peak or flexibility in evening schedules. There is little evidence that the off-peak discounts have been effective in influencing weekend travel patterns.

April - June 2004 Update: This quarter, the Team finalized the surveys and began the data collection in collaboration with the Eagleton Institute. The purpose of the surveys is to gather data about the behavioral impacts on auto travelers produced by this value pricing initiative. Based on the current schedule, the survey process will end by July 2004. A second set of surveys targeting trucking companies and receivers are being finalized. The project team expects that the data for the commercial sector will be available in early September 2004. The Team released a draft report containing the key findings of the focus group with auto users (EZPass and cash) and trucking companies (common and private carriers). The project team is also undertaking in depth interviews with shippers and carriers to develop a deeper understanding of their behavioral rules. Rutgers University is analyzing the traffic data, to complement the ongoing assessments of the PANYNJ. The analysis is being done with the aid of time-series analyses and econometric models. New York University has completed draft analyses documenting the stakeholders/media reaction to the Value Pricing Program at the Port Authority crossings. This report should be ready for public distribution shortly.

For More Information Contact:
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NEW JERSEY: Express Bus/HOT Lane Study for the Lincoln Tunnel
The Port Authority of New York and New Jersey (PANYNJ) implemented variable pricing on the six vehicular crossings between New York City and New Jersey in March 2001. The Value Pricing Pilot Program is currently funding a monitoring and evaluation study to analyze the impacts of the variable pricing structure. (See the project update above). This project is designed to assess the feasibility of pricing a new managed lane application intended to connect the New Jersey Turnpike and New Jersey highways to the Lincoln Tunnel and the Port Authority Bus Terminal in Midtown Manhattan.

On weekdays from 6-10 a.m., the PANYNJ currently operates a 2.5-mile eastbound contra-flow Exclusive Bus Lane (XBL) along the westbound Route 495 approach to the Lincoln Tunnel from the New Jersey highway interchanges. The XBL carries approximately 1700 buses and 60,000 passengers each morning to Midtown Manhattan, saving about 15-20 minutes in travel time as compared to the regular travel lanes bus passengers. Since the XBL has reached its capacity, the PANYNJ is assessing the physical and operational feasibility of adding a second XBL to the Route 495 corridor on weekday mornings.

The project being funded by the Value Pricing Pilot Program will allow the Port Authority to assess options of pricing the excess capacity of a second Bus Lane in a High-Occupancy Toll (HOT) Lane application. The objective of this project is to determine whether value pricing might be used to allow non-bus traffic to use the excess capacity of a potential second Exclusive Bus Lane on NJ Route 495 leading to the Lincoln Tunnel and Midtown Manhattan. This study will consider whether pricing is an appropriate mechanism to manage the demand of non-bus traffic wishing to take advantage of the reliability and the improved service levels on a new bus lane.

This project will evaluate an array of pricing alternatives that allow a vehicle mix that ensures a travel time advantage in the new managed lane, while also improving overall passenger throughput and travel time reliability during the weekday a.m. peak period. The major benefit of this study is in the increased service level for buses through more reliable travel times. This enhanced service would meet increased demand for buses and may potentially increase bus ridership.

April – June 2004 Update: The administrative and contractual measures required between the agencies that comprise the project team (i.e., PANYNJ, NJDOT, NJ Turnpike and FHWA) have been finalized. The PANYNJ's Board of Commissioners has approved all procurement for this project, and a draft RFP is being circulated among the project team for final comments. Consultant selection is expected by early October 2004, followed immediately by initial data collections and survey development in the Fourth Quarter 2004. A microscopic traffic simulation model developed by the PANYNJ has been completed and will be used to evaluate the advantages and disadvantages of various pricing scenarios on the overall productivity of the corridor to move people and vehicles.

For More Information Contact: Mark Muriello, PANYNJ, Assistant Director (212) 435-4836 telephone, mmuriello@panynj.gov.

OHIO: Northern Ohio Freight Efficiency Study

Truck use on the Ohio Turnpike is low relative to total truck travel in the corridor that encompasses both the turnpike and many parallel arterial roadways. As a result of the recent expansion of the turnpike, turnpike capacity is underutilized. By contrast, parallel State routes are more congested, and some of these routes carry 30-50 percent trucks.

The proposal shows the link between arterial congestion and the turnpike tolls and cites a study finding that 70 percent of truck drivers using an arterial roadway through one town are doing so to avoid a turnpike toll.

Because of arterial truck traffic, local government officials have been pressuring the State to build bypass roadways around their towns. The proposal estimates the cost to construct all requested bypasses would exceed $100 million. This study would explore turnpike truck toll discounts as an alternative to, or at least a means to reduce the need for, construction of bypasses.

Project goals are to identify whether value pricing can attract traffic from parallel routes onto the turnpike, and to develop and recommend a pricing strategy to encourage trucks to use the less congested Ohio Turnpike.

The project includes substantial public outreach and participation by government and non-governmental organizations.

A pricing structure would be developed to alleviate truck-caused arterial roadway congestion with no or minimal construction of new bypass routes and without substantially increasing turnpike congestion.

April – June 2004 Update: To date there have been three main study efforts:

1. A review of the infrastructure condition of the turnpike to determine its capacity to handle increased truck loads;
2. Targeted origin-destination surveys at turnpike toll gates where many trucks are exiting; and;
3. A survey performed by the Ohio Trucking Association to determine truck company's sensitivity to various incentive offers.

The survey conducted with the assistance of the Ohio Trucking Association confirmed the following about price sensitivity:

1. 62% of truckers said that the amount of tolls was a partial factor in their decision not to use the turnpike;
2. 66% said a uniform 65 mph speed limit on the turnpike would affect their route choice;
3. 85% stated that a 4 to 5 cent per mile rebate would be an incentive for them to use the turnpike.

For More Information Contact: Howard Wood, Ohio Department of Transportation, (614) 466-2255, howard.wood@dot.state.oh.us.

PENNSYLVANIA: Variable Tolls on the Pennsylvania Turnpike
The project has involved a study of the potential for value pricing strategies to alleviate congestion; to facilitate the timely, efficient, and economical movement of commercial vehicles to industrial and commercial destinations; and to improve the movement of daily commuter vehicles to and from the workplace. Concurrent with the value pricing study, the Pennsylvania Turnpike Commission (PTC) has implemented electronic toll collection (E-ZPass) for travel between the ticket interchanges on its mainline system. The PTC is currently equipping additional lanes with E-ZPass, which would facilitate the implementation of variable tolls should the Commission decide to do so. This work has been accomplished without federal funds.

Meanwhile, the marketing and growth of E-ZPass usage has temporarily alleviated much of the congestion previously being experienced in the Philadelphia and Pittsburgh urbanized areas served by the Turnpike.

April – June 2004 Update: The Commission will be implementing a toll increase on August 1, 2004 and is reviewing value pricing strategies as one possible way to reduce the impact of the toll increase to commercial trucking firms.

Wilbur Smith Associates, the Pennsylvania Turnpike Commission's Consultant for the value pricing study, prepared the final draft report, which has been reviewed by Commission staff members. The final value pricing study report is now being prepared by Wilbur Smith Associates.

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USAGE-BASED VEHICLE CHARGES

CALIFORNIA: Car Sharing in the City of San Francisco

City CarShare is the nation's only non-profit, fully automated car-sharing program. It is located throughout the City of San Francisco, and expanding rapidly throughout the Bay Area. Today there are 2,700 members sharing 80 vehicles, located in the cities of San Francisco, Oakland, Berkeley, Palo Alto, and Mountain View, and at twelve Bay Area Rapid Transit stations. Surveys of members and a comparable group of non-members (located in similar neighborhoods, but without convenient car sharing) suggest a decrease in driving from members, reduction in gasoline consumption and emissions, and sizable dollar and travel time savings, suggesting that cars were used to replace some of the least convenient off-peak transit trips. Future surveys will seek to identify how vehicle ownership and residential location choices, when combined with the availability of car sharing, affect travel patterns.

Project Completed: Received reports prepared by Prof. Robert Cervero, which are available on FHWA's Community of Practice website at: http://knowledge.fhwa.dot.gov/cops/hcx.nsf/home?openform&Group=Value%20Pricing&tab=REFERENCEBYALPHA click on the project name.

For More Information Contact: Larry Magid, Executive Director; phone 415.995.8588 x305, email larry@citycarshare.org; www.citycarshare.org

GEORGIA: Simulation of Mileage-Based Insurance in Atlanta

This test will assess the effects of converting fixed automotive insurance costs into variable driving costs. The research is monitoring one full year of baseline travel activity for approximately 285 participating households. Approximately 500 vehicles in these households are equipped with instrumentation that monitors the second-by-second vehicle speed and position for every trip. Travel diaries and employer commute options surveys were also collected from each participating household and employer (as well as from a control group). In Phase II of the study, the impact of mileage-based insurance incentives will be examined. Households that reduce their household miles of travel will receive quarterly insurance rebates in accordance with their mileage-based rate schedule (annual insurance premium divided by baseline mileage). Households that continue their pre-existing driving patterns or increase travel will not be penalized. In Phase III, risk-based incentives (insurance rebates as a function of where, when, and how the vehicles are driven) will be examined. The research team will monitor the changes in driving patterns and will use statistical analyses of household characteristics, vehicle travel, and relevant employer survey data (parking costs, transit accessibility, etc.) to examine the relationships between the incentives offered and subsequent travel behavior changes.

January – March Update 2004: In May 2004, the Georgia Department of Transportation provided the remainder of the matching funds ($107,000.00) dedicated to the entire project. These funds, delivered in advance of ongoing FHWA funding, provided the necessary resources to continue the baseline field data collection through December 2004 and to perform analytical activities originally slated for the second phase of the project. The following analytical activities are currently underway:

1. Continue data collection through December 2004.
2. Perform trip-level data analysis
    a. By September 2004, process and analyze all trip-level data collected between August 2003 and July 2004
        i. Descriptive statistics of trip-making activity
        ii. Temporal differences in trip-making activity
        iii. Cross-tab analysis of trip-making activity by demographic characteristics
3. Perform route-level analysis (limited by processing time and analytical resources)
    a. By December 2004, process to route (roadway facility) and analyze all GIS data collected between August 2003 and April 2004
        i. Analyze vehicle speeds by facility type, vehicle type, and demographics
4. Compare travel diary and instrumented vehicle data in Summer 2004
    a. Compare 2-day travel diary data with instrumented vehicle data
    b. Descriptive statistics
    c. Quantify trip under-reporting
    d. Perform cross-tab analyses on under-reporting across demographics

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MINNESOTA: Variabilization of Fixed Auto Costs

The Minnesota Department of Transportation and its consultant team led by Cambridge Systematics have begun a demonstration of how drivers change their travel behavior when some of the fixed costs of owning and operating a vehicle are converted to variable costs. The pilot project simulates conversion of vehicle lease or insurance pricing from traditional fixed payments to payments based on actual miles driven. This demonstration is expected to help lease companies consider structuring incentives to reduce miles driven over the life of the lease, thus improving the resale value of vehicles, and to help insurance companies better understand the mileage based insurance market.

April - June 2004 Update: The project is proceeding along two parallel tracks. One track involves a comprehensive market research effort to understand who would voluntarily opt for mileage based leasing and/or insurance incentives. A draft technical memorandum describing the results of the Market Assessment Stated Preference surveys is currently being reviewed by the project's advisory committee. Preliminary findings suggest that perhaps as many as 25 percent of vehicle owners/leasers might be interested in a mileage-based lease product. .

On the second track, the consultant team has recruited 100 people to participate in a simulation of pay-as-you-drive pricing and another 30 drivers to form a control group. The consultant team monitored the participants' mileage via onboard equipment to determine baseline mileage patterns. The equipment can be easily swapped on a twice-monthly basis, allowing delivery of frequent price signals to the participants.

About half of the participants have completed the initial two-month control period and have moved into a three-month experiment period. The other half remain in non-priced conditions to provide a control for those who are being priced. During the experiment period participants are being provided price signals on a semi-monthly basis. Half of the participants in the pricing experiment are being given time-of-day based price structures, while the other half have no difference in price by time of day. Also, some participants have all cars in their household priced, while others have only one car priced. The behavior of each participant will be compared during their own control period to their own experiment period. The separate control group will be used to identify any general changes in regional driving behavior during the experiment period. At the end of the first three-month experiment period, those who have been priced will revert to non-priced (control) conditions, while those who remained in control conditions will have pricing applied.

After the eight month experiment is complete, the data will be analyzed to consider changes in behavior based on number of household vehicles, the number of vehicles included in the experiment, and variable pricing by time of day. Participants will be surveyed at the end of the experiment to identify shifts in their attitudes towards mileage based pricing concepts.

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OREGON: Mileage-Based Road User Fee Evaluation

This pilot is identifying and evaluating mechanisms to supplement or replace Oregon's statewide fuel tax. A Road User Fee Task Force (RUFTF, pronounced "Rough Tough") was formed in November 2001. The RUFTF has considered over 20 potential revenue sources to ultimately replace the fuel tax on gasoline as the primary funding source for the state's road and highway system. The task force decided to go forward with a test of a vehicle miles traveled (VMT) fee collected at the fuel pump, with data generated by either a simple GPS device or odometer sensor with automated vehicle identification (AVI) technology. Under either technology, the data would be transmitted to a reader at the fuel pump via radio frequency.

The Task Force concluded that the costs for implementing and operating a VMT fee will be extensive, much more than for the gas tax, but that the fuel pump collection option may prove affordable. It also determined that area pricing is feasible with the GPS technology option. Retrofitting a GPS device for every passenger vehicle in the state, however, will be cost prohibitive. The task force thus will recommend to the Oregon Legislature that a mandate be imposed that every new vehicle sold in the state be equipped with a properly configured GPS device. This would take over 20 years for full market penetration. Area pricing would not be implemented until every vehicle subject to area pricing is equipped with the device.

April -June 2004 Update: Oregon State University researchers completed the functional test of the wireless technology required to determine and collect a mileage fee in early April 2004. Researchers successfully demonstrated this technology before the ODOT Mileage Fee Steering Committee on April 16.

On May 14, 2004 a full simulation of the technology was demonstrated to the Road User Fee Task Force at OSU in Corvallis, OR. The task force members and members of the news media participated in a simulation that included: riding in cars equipped with mileage data collection devices and simulating a point-of-sale transaction at a mock service station where the VMT fees are calculated and paid. The demonstration proved that a mileage fee collected wirelessly at service stations is seamless for customers and technologically feasible.

The wireless technology demonstrated will be further modified this year for retrofitting into some 280 vehicles of volunteer participants during a pilot project starting in late 2005. ODOT expects to run the pilot project in the City of Eugene over a year long period.

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WASHINGTON: Global Positioning System (GPS) Based Pricing in the Puget Sound Region

In this pilot, meters will be placed in the vehicles of voluntary participants. Different prices per mile will be imposed depending upon the location and time of travel. Drivers will be made aware of the pricing both though maps and other printed material, as well as a real-time read-out on the in-vehicle meter. By relying on "In-Vehicle Meters," the need for expensive wayside antennae is eliminated, and even arterial roads can be priced cost-effectively. At the start of the pilot, participants will receive a billing account with a positive cash balance. Any cumulative in-vehicle meter charges will be debited against this balance. Any funds remaining in the account at the end of the pilot may be kept by the participants. This "hold-harmless" study design gives participants the opportunity to participate without committing their own funds, yet gives them the incentive to adjust their driving behavior so as to enjoy the surplus remaining in the account at the end of the experiment.

April – June 2004 Update: During this quarter the project team finalized negotiations with the identified preferred systems integrator, Siemens ITS. A contract has been developed that follows from the project concept of operation document, and functional specifications. A final draft of project description/communication materials was developed as well.

The full articulation of the technical systems for the project has been developed. Final details of the participant sample, tolling network details, and experimental design parameters are currently being resolved. After signing the contract the Siemens team will be ready to start system development, integration, and testing immediately. The technical systems will be ready for operation during the fall of 2004.

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"CASH-OUT" STRATEGIES

WASHINGTON: Parking Cash-Out and Pricing in King County

The King County Parking Cash Out demonstration project is designed to implement Parking Cash Out and other parking management strategies in downtown high-rises in cooperation with building owners and employers; to provide building owners or managers with incentives to shift existing parking supply to carpool, vanpool, or short-term parking; and to reduce the supply and increase the cost of single-occupant monthly vehicle parking. Unfortunately, the serious downturn in the Seattle economy has stalled implementation. However, preliminary results indicate that for the 167 employees offered Parking Cash Out thus far, 17 (over 10 percent) took the cash in lieu of the parking, resulting in an annualized reduction of over 82,000 vehicle miles traveled.

January - March 2004 Update: The Downtown Transportation Alliance (DTA) was launched in January. The group's mission is to bring the City of Seattle, King County Metro and the downtown business community together on CBD parking, access, and TDM issues. The DTA is composed of a policy element staffed by major decision-makers and a group to manage a one-stop shop for TDM and parking programs developed through the Downtown Seattle Access Project.

The following parking strategies were implemented to limit SOV commuter supply: Launched carpool program at the Bank of America Tower. Signed agreement with City Centre Associates (Bentall Capital) for US Bank Centre. Developed implementation plan and scheduled launch for US Bank Centre (April 21, 2004). Presented carpool management concept to Benaroya Real Estate Company (Metropolitan Park Towers), Metzler North America (Millennium Tower). Assembled final policies, procedures, and forms for hand-off of program administration. Provided training for transition of carpool pilot as turnkey program to the DSA's Urban Mobility Group (UMG). Continued marketing of carpool program in partnership with DSA, City of Seattle and participating property owners and managers. Engaged in conversations regarding possible expansion of carpool program to locations not impacted by TMP requirements.

Accomplishments also included completion of the policy review of TMPs to guide long term TMP development and TMP revision strategies. The team will continue to develop alternative implementation strategies for TMP goals

The team finalized a contract with Equity Office Properties (EOP) to implement Transportation Incentive Option (TIO) into their leasing documents for all new and renewing tenants. TIO will allow tenant to divert a small portion of their EOP provided tenant improvements for purchase of FlexPass in all 23 of their King County properties. The team also targeted property managers and owners of key downtown properties for sales effort.

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WASHINGTON: Cash-Out of Cars in King County
The *Way to Go, Seattle!* "One-Less-Car Demonstration Study" asks households to use one less car and keep daily records of how they got around. Households were provided with information on how much their car actually costs to own and operate, as well as information on how to get around by biking, busing, and walking. Participant households are provided with a weekly study stipend during this time to simulate the financial savings they would realize if they were to actually sell one of their cars (the national average cost of owning/operating a second car is $85 per week). Daily records, odometer readings, and anecdotal stories are analyzed to document costs and to understand whether or not households made significant behavior changes such as consolidating trips, carpooling, taking transit, biking, or walking.

The eighty-six participant households reduced total miles driven by 41,463, or an average of 1,974 miles not driven per week. Likewise, participants collectively saved a total of 8,003 fewer car trips, or an average of 381 fewer trips per week. Finally, the eighty-six households reduced total CO_2 emissions by 30,198 pounds, or an average of 1,438 pounds per week. Additionally, 20 percent sold their "extra" car after participating in the study or during the selection process.

Project Completed: The Final Report with stand-alone Executive Summary, Replicability Package, and grant obligations is complete. 50 CD-Rom copies of the Replicability Package disc will be duplicated. Arrangements are also being made to post all of the Replicability Package documents on the project webpage (www.seattle.gov/waytogo).

A pilot version of the "One Less Car Challenge" was launched in September 2003. The Challenge is based on the results of the Demonstration Study that showed that many types of households from all over Seattle were able to reduce drive-alone car trips, and the accompanying mileage and emissions, when given information about 1) the availability multi-modal transportation choices and 2) the actual costs of owning and operating their second (and in some cases their primary) car.

For More Information Contact: Ms. Jemae Hoffman, Mobility Manager for the Policy, Planning, and Major Projects Division of Seattle Department of Transportation; Phone: 206/684-8674; Fax: 206/684-5180; Email: jemae.hoffman@seattle.gov or visit www.seattle.gov/waytogo.

REGIONAL PRICING INITIATIVES

FLORIDA: Sharing of Technology on Pricing

The Federal Highway Administration, the Organization for Economic Cooperation and Development (OECD), the Transportation Research Board (TRB), and the Florida Department of Transportation collaborated in sponsoring an international symposium to set the stage for consideration of wider implementation of innovative pricing strategies to meet congestion relief, emission reduction, and fiscal objectives. The symposium assembled key pricing experts from across the U.S. and overseas and provided a unique opportunity to synthesize the lessons learned about pricing policies throughout the world. It generated a greater understanding of economic, institutional, and administrative issues and concerns relating to pricing strategies, and is expected to provide invaluable impetus for broader consideration of value pricing strategies throughout the U.S.

Project Completed: The symposium was held in Florida at the Sonesta Beach Hotel Key Biscayne, Key Biscayne, Florida on November 19–22, 2003. It explored U.S. and international applications of road pricing strategies in different governmental and socio-economic settings. Case studies from the United States, Europe, and Asia were the principal focus of the symposium. An international group of participants discussed the rationale and motivations for implementing pricing; factors affecting the political and public acceptance of pricing strategies; the use of pricing revenues; and project outcomes. Drawing on papers, presentations, and symposium discussions, the TRB Steering committee evaluated the current state of practice, assessed future directions and opportunities, and identified research and information needs.

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MARYLAND: Feasibility of Value Pricing

In the 2001 legislative session, the Maryland General Assembly directed the Maryland Department of Transportation (MDOT) to examine the potential for variable pricing strategies in highway project planning; and include such strategies in metropolitan and Statewide transportation planning to boost transportation efficiency and equity, expand travel choices, and reduce emissions. In June 2001, former Governor Parris N. Glendening decided to remove consideration of High Occupancy Toll (HOT) lanes from Maryland transportation plans. The former Governor's decision was based on the perceived inequity of linking an easier commute with a person's ability to pay. However, in the fall of 2002, the former Governor's Office of Smart Growth initiated a revised feasibility study of value pricing. The feasibility study will investigate and address equity issues that arose during the previous project, using the concept of "credits" (as in FAIR lanes) and smart card technology. The revised study scope includes developing initial alternatives, appraising new technology, developing a plan for public outreach, defining a concept test plan, and devising an implementation plan and evaluation process.

April - June 2004 Update: The Study Team changed directions from previous efforts. The Study Team contacted FHWA and received permission to evaluate the concept of reversible managed lanes on I-270 between I-370 and I-495 (Capital Beltway).

The Study Team is in the process of procuring a consultant to assist in the evaluation. We will be working closely with other major projects in the vicinity of I-270 such as the Intercounty Connector and the Capital Beltway Corridor Study teams. It is anticipated that a draft report will be prepared by Spring 2005.

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MINNESOTA: Project Development Outreach and Education
Previously, a 30-member task force of state legislators, mayors, and business, environmental and transportation leaders examined value pricing options in Minnesota and met regularly to develop support within the state to conduct a demonstration project. The task force completed its work in 2002. The objective of this project is to continue the work of the task force by developing local champions and educate the citizens of Minnesota to help bring about Value Pricing implementation projects in Minnesota. A visible group of local leaders will advocate value pricing in Minnesota and succeed in convincing doubters that pricing should be tested and implemented. The Humphrey Institute's project team will work with Mn/DOT Metro Division staff, Metropolitan Council transportation staff, and members of the Value Pricing Advisory Task Force to develop support for value pricing alternatives and specific projects. Specific activities will include examining the technical and political feasibility of alternative approaches, giving presentations to elected officials, transportation advocacy and other interest groups, and the formation of a local advocacy group for value pricing.

April - June 2004 Update: Minnesota is in the process of implementing *MnPass*, which will convert the I-394 high occupancy vehicle lanes into pay-per-use, high occupancy toll (HOT) lanes. The lanes will also remain open to high occupancy use at no charge. *MnPass*, Minnesota's first HOT lane project will affect existing car pool lanes on I-394 from Highway 101 to I-94. Drivers of single occupancy vehicles, currently restricted from using I-394's high occupancy vehicle lanes, could choose to use the *MnPass* lanes by paying a fee. The project is being developed and completed through a public/private partnership involving the state of Minnesota and service vendor Wilbur Smith Associates. Wilbur Smith Associates is expected to fund 25 percent of the project's estimated $8 to $10 million cost. The project is scheduled to start in April 2005.

The Humphrey Institute completed five focus groups with Cook Research, three with single occupancy vehicles (SOVs) who use the corridor and one each with carpoolers and transit users. These focus groups confirmed public interest in the project and identified issues for the project team to assure success of the HOT lane project. The Humphrey Institute also conducted briefings for each of the six city councils in the corridor and the Hennepin County Board during April and May. These briefings were well-received and helped to assure acceptance of the project by key public leaders. Many of these sessions were broadcast on local cable TV, broadening the public outreach activities within the corridor. In April 2004, the Humphrey Institute held a public forum and workshop on HOT lane evaluation with evaluators from the I-15, SR91 and Katy Freeway projects. This workshop has helped Mn/DOT in developing its evaluation plan for the I-394 MnPass project.

The I-394 Express Lane Community Task Force has met monthly and is providing the Commissioner of Transportation with recommendations on all aspects of the project, including public involvement, communications, community outreach and education. Updates on the project are available on Mn/DOT's website at www.MnPass.org and in the Minnesota Project Update Section on the www.valuepricing.org website.

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TEXAS*:* HOT Lanes Region-wide Study in Dallas
The North Central Texas Council of Governments (NCTCOG), as the Metropolitan Planning Organization (MPO) for the Dallas-Fort Worth Metropolitan Area, in cooperation with Dallas Area Rapid Transit (DART), the Fort Worth Transportation Authority (The T), the North Texas Tollway Authority (NTTA), and the Texas Department of Transportation (TxDOT), initiated a review of value pricing concepts for applicability in the Dallas-Fort Worth Region. The regional study will establish criteria, policies, and procedures to identify potential candidates for a short-term value pricing demonstration project, and study the applicability of value pricing concepts in existing corridors. The study will also propose potential managed facilities for the next metropolitan transportation plan. Additionally, the results of this study will be incorporated into the ongoing implementation approval and work processes for the IH-635/LBJ Major Investment Study and planning recommendations that include High-Occupancy Toll (HOT) Lanes/Value Pricing.

April – June 2004 update: NCTCOG staff hosted two meetings, March 24 and June 28, with the local managed lane stakeholders to determine which short term (in the two to five year time frame) pipeline projects would be suitable for the purpose of an interim demonstration project. The Team would use the project to monitor the measures of effectiveness (MOE) of value pricing, which is an essential goal of this project. The Study Team developed a series of evaluation criteria for use by NCTCOG staff to determine whether selected freeway, tollway, and/or HOV facilities could support value pricing as demonstration projects.

Local political factors have positively influenced the potential short term implementation of value pricing within the Dallas-Fort Worth metropolitan area. An operational demonstration project would provide this region's managed lanes stakeholders the ability to test value pricing concepts and learn more about how value pricing strategies work to address mobility issues in our region.

URS (the consultant for the project) reports continued progress on the review and refinement of deliverables for *Task 3:Develop Regional Value Pricing Screening Criteria and Policies, Task 4: Methodology for Evaluation of Potential Demonstration Projects* and *Task 5: Methodology for Evaluating Future Value Pricing Implementation*. Additional work by the consultant was temporarily halted by NCTCOG in order to further review the application of the screening criteria identified in Task 3 for the list of potential candidate corridors identified in Task 4. Because the work has been between the local stakeholders, URS has been patiently waiting to respond to any calls for assistance during this quarter.

The URS report will include the identification of specific permanent value pricing projects (i.e., IH-635 and SH-183) that would benefit from FHWA's acknowledgement that these facilities represent sound value pricing projects. Once given FHWA approval, these projects could move forward with concurrent implementation while a demonstration project(s) provides much needed local pricing education and experience to prove the validity of managed transportation infrastructure.

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VIRGINIA: Value Pricing for the Northern Virginia and Hampton Roads Regions
Although the emphasis of the project is on Northern Virginia, the effort will essentially consist of two regional studies with strong outreach and education components. The initial tasks will focus on determining the corridors for which value pricing holds the greatest potential to improve regional mobility. Later tasks will include detailed analyses of those corridors.

Both regions currently have extensive networks of HOV lanes as well as transit services. Northern Virginia is considered to have some of the most successful HOV lanes in the country. In some corridors, however, HOV lanes currently operate with excess capacity and could potentially be candidates for value pricing.

While all corridors are open to consideration at this stage, the Capital Beltway (I-495) will receive particular attention in light of the recent submittal and VDOT's consideration of a proposal to implement HOT lanes on I-495 under Virginia's Public Private Transportation Act.

This study will focus a significant amount of effort in educating the public about pricing. It is recognized that an effective public outreach component is integral to successfully implementing pricing.

This study will ultimately lead to recommendations for potential implementation of value pricing concepts across the Northern Virginia metropolitan area and the Hampton Roads region.

April - June 2004 Update: A delay in the contracting process has postponed the selection of a contractor but this process will be complete within the next quarter and an aggressive schedule of activities will be imposed to deliver preliminary results quickly. Work continues on the public involvement plan and will be coordinated with the technical analysis efforts immediately upon initiation of that work. Completion of the technical analysis is still planned for mid-2005 with intermediate results reported throughout.

The Public Private Transportation Act (PPTA) proposals for HOT lanes in the region are continuing through the PPTA process. Early results from the VPPP study will provide input to the evaluation process as appropriate.

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